

GRAY COUNTY, KANSAS

**FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2017**

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Gray County, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of Gray County, Kansas, as of and for the year ended December 31, 2017, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A, the financial statement is prepared by the County on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Gray County, Kansas as of December 31, 2017, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of Gray County, Kansas as of December 31, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures, and schedule of regulatory basis receipts and disbursements-agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Gray County, Kansas as of and for the year ended December 31, 2016 (not presented herein), and have issued our report thereon dated August 22, 2017, which contained an unmodified opinion on the basic financial statement. The 2016 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link: <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2016 actual column (2016 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended December 31, 2017, (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 comparative information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole for the year ended December 31, 2016, on the basis of accounting described in Note A.

Kennedy McKee & Company LLP

August 27, 2018

GRAY COUNTY, KANSAS

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS**

For the Year Ended December 31, 2017

Funds	Beginning unencumbered cash balance	Prior year canceled encumbrances
General fund	\$ 906,426	\$ -
Special purpose funds:		
Road and bridge	331,227	-
Special bridge	305,041	-
Waste disposal	173,285	-
Noxious weed	136,060	-
County health	23,904	-
Mental health	5,156	-
Mental retardation	3,403	-
Conservation district	2,841	-
Extension council	16,066	-
Historical society	1,590	-
Free fair	15,833	-
Council on aging	9,721	-
Ambulance	134,686	-
Appraiser's cost	70,606	-
Direct election expense	41,255	-
Tort liability expense	108,492	-
Employee benefits	507,243	-
Rural fire district	34,667	-
County library	7,351	-
Non-budgeted special purpose funds:		
Special highway	53,244	-
County clerk technology	3,835	-
County treasurer technology	5,066	-
Register of deeds technology	21,248	-
Special health	197,295	-
Regional bio-terrorism	950	-
Ambulance special equipment	14,776	-
PSAP 911 E	193,807	-
Ambulance spec equip - South	9,241	-
Search and rescue	146	-
Enhanced 911 grant	3,561	-
Capital improvements	2,796,394	-
Equipment reserve	752,500	-
Prosecuting attorney trust	20,572	-
Sex offender	2,460	-
Special law enforcement trust	6,096	-
Special vehicle	28,033	-
Postage	1,862	-
Local drug seizure	31,484	-
Veterans memorial	2,702	-
Law enforcement equipment	596	-
Alcohol programs	523	-
Parks and recreation	335	-
Rural fire training	3,900	-
Drug task force	894	-
Total special purpose funds	<u>6,079,947</u>	<u>-</u>
Total reporting entity - excluding agency funds	<u>\$ 6,986,373</u>	<u>\$ -</u>

Receipts	Expenditures	Ending unencumbered cash balance (deficit)	Add encumbrances and accounts payable	Ending cash balance
\$ 2,258,610	\$ 2,381,454	\$ 783,582	\$ 206,089	\$ 989,671
3,389,828	3,225,699	495,356	27,834	523,190
1,664	121,518	185,187	-	185,187
707,896	658,333	222,848	11,439	234,287
80,305	133,350	83,015	3,919	86,934
226,627	209,063	41,468	6,816	48,284
49,618	46,643	8,131	-	8,131
34,629	32,329	5,703	-	5,703
26,506	25,000	4,347	-	4,347
171,981	161,664	26,383	-	26,383
18,319	17,170	2,739	-	2,739
166,522	156,375	25,980	-	25,980
103,021	96,500	16,242	-	16,242
389,337	384,036	139,987	21,963	161,950
240,464	163,731	147,339	11,587	158,926
22,207	18,890	44,572	264	44,836
-	-	108,492	-	108,492
1,752,945	1,410,774	849,414	-	849,414
155,520	134,130	56,057	16,000	72,057
36,078	34,500	8,929	-	8,929
353,810	319,566	87,488	76,412	163,900
2,357	-	6,192	-	6,192
2,357	-	7,423	-	7,423
9,428	7,562	23,114	-	23,114
151,969	90,737	258,527	-	258,527
30,118	35,890	(4,822)	5,326	504
3,723	-	18,499	-	18,499
50,416	36,479	207,744	-	207,744
4,038	-	13,279	-	13,279
-	-	146	-	146
-	-	3,561	-	3,561
218,749	22,850	2,992,293	-	2,992,293
220,534	235,135	737,899	18,307	756,206
2,525	1,280	21,817	-	21,817
680	500	2,640	-	2,640
27	1,116	5,007	-	5,007
54,675	59,480	23,228	428	23,656
4,495	2,997	3,360	-	3,360
9,873	1,946	39,411	-	39,411
550	300	2,952	-	2,952
2,732	-	3,328	-	3,328
-	-	523	-	523
-	-	335	-	335
4,938	-	8,838	-	8,838
-	-	894	-	894
8,701,461	7,845,543	6,935,865	200,295	7,136,160
\$ 10,960,071	\$ 10,226,997	\$ 7,719,447	\$ 406,384	\$ 8,125,831

GRAY COUNTY, KANSAS

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS**

For the Year Ended December 31, 2017

	<u>Ending cash balance</u>
Composition of cash balance:	
Cash on hand	\$ 87,372
Checking accounts	2,984,404
Money market accounts	<u>15,846,252</u>
Total cash	18,918,029
Agency funds	<u>(10,792,198)</u>
Total reporting entity - excluding agency funds	<u><u>\$ 8,125,831</u></u>

The notes to the financial statement are an integral part of this statement.

GRAY COUNTY, KANSAS

NOTES TO THE FINANCIAL STATEMENT

December 31, 2017

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the County's financial statement. The financial statement and notes are representations of the County's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

Gray County, Kansas is a municipal corporation governed by an elected three-member commission. This regulatory financial statement does not include the related municipal entities shown below. A related municipal entity is an entity established to benefit the County and/or its constituents.

Gray County Free Fair Association. The Association is fiscally dependent on the County and the budget is approved by the County Commissioners. In addition, the Association is prohibited from issuing bonded debt without the approval of the County Commission.

Gray County Library District. The members of the governing board of the District are appointed by the County Commissioners. The District is fiscally dependent on the County and the budget is approved by the County Commissioners. In addition, the District is prohibited from issuing bonded debt without the approval of the County Commission.

Gray County Extension Council. The Council is fiscally dependent on the County and the budget is approved by the County Commissioners. In addition, the Council is prohibited from issuing bonded debt without the approval of the County Commission.

2. Basis of Presentation – Fund Accounting

The accounts of the County are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the County for the year ended December 31, 2017:

REGULATORY BASIS FUND TYPES

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Agency funds – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing funds, tax collection accounts, etc).

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The County has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the County to use the regulatory basis of accounting.

4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund and special purpose funds (unless specifically exempted by statute). Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in a local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

A legal operating budget is not required for agency funds and the following special purpose funds:

Special Highway	Prosecuting Attorney Trust
County Clerk Technology	Sex Offender
County Treasurer Technology	Special Law Enforcement Trust
Register of Deeds Technology	Special Vehicle
Special Health	Postage
Regional Bio-Terrorism	Local Drug Seizure
Ambulance Special Equipment	Veterans Memorial
PSAP 911E	Law Enforcement Equipment
Ambulance Spec Equip - South	Alcohol Programs
Search and Rescue	Parks and Recreation
Enhanced 911 Grant	Rural Fire Training
Capital Improvements	Drug Task Force
Equipment Reserve	

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

B. COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports, Kansas Department of Administration, and interpretation by legal representatives of the County.

At December 31, 2017, the Bioterrorism Grant fund had an unencumbered cash deficit of \$4,822, which is a violation of K.S.A 10-1113. However, according to K.S.A. 12-1664 the County is not prohibited from financing the federal or state share of a local program from current funds if available.

C. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the County. The statute requires banks eligible to hold the County's funds to have a main or branch bank in the County, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The County has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the County's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The County has no investment policy that would further limit its investment choices.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2017.

C. DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2017, the County's carrying amount of deposits was \$18,830,657 and the bank balance was \$19,122,678. Of the bank balance, \$605,024 was covered by federal depository insurance and \$18,517,654 was collateralized with securities held by the pledging financial institutions' agents in the County's name.

D. LONG-TERM DEBT

Changes in long-term liabilities for the County for the year ended December 31, 2017, were as follows:

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions/ net change</u>	<u>Reductions/ net change</u>	<u>Balance end of year</u>	<u>Interest paid</u>
Capital leases:					
KDOT communications equipment Issued September 1, 2010 In the amount of \$44,238 At interest rate of 5.15% Maturing December 15, 2021	\$ 21,310	\$ -	\$ 3,894	\$ 17,416	\$ 963
Caterpillar compactor Issued October 31, 2016 In the amount of \$169,627 At interest rate of 2.90% Maturing October 31, 2021	169,627	-	-	169,627	-
Caterpillar packer Issued June 15, 2015 In the amount of \$183,554 At interest rate of 2.85% Maturing February 15, 2019	138,292	-	44,808	93,484	3,941
Aztec mobile screening plant Issued October 15, 2015 In the amount of \$164,500 At interest rate of 2.38% Maturing February 15, 2019	122,880	-	40,000	82,880	2,925
Bobcat compact track loader Issued May 16, 2017 In the amount of \$57,919 At interest rate of 3.55% Maturing May 16, 2019	-	57,919	19,984	37,935	-
Total capital leases	<u>\$ 452,109</u>	<u>\$ 57,919</u>	<u>\$ 108,686</u>	<u>\$ 401,342</u>	<u>\$ 7,829</u>

Current maturities of capital leases and interest for the next five are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2018	\$ 109,743	\$ 6,772	\$ 116,515
2019	166,958	10,076	177,034
2020	61,383	3,999	65,382
2021	63,257	2,134	65,391
2022	<u>1</u>	<u>-</u>	<u>1</u>
Total	<u>\$ 401,342</u>	<u>\$ 22,981</u>	<u>\$ 424,323</u>

E. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory authority</u>	<u>Amount</u>
Operating transfers:			
General	Equipment reserve	K.S.A. 19-119	\$ 58,015
General	Capital improvements	K.S.A. 19-120	206,787
Noxious weed	Equipment reserve	K.S.A. 19-119	5,000
Ambulance	Equipment reserve	K.S.A. 19-119	100,000
Appraiser's cost	Equipment reserve	K.S.A. 19-119	3,500
Rural fire district	Equipment reserve	K.S.A. 19-119	50,000
Special vehicle	General	K.S.A. 8-145	<u>28,073</u>
Total operating transfers			<u>\$ 451,375</u>
Transfers to related municipal entities:			
Extension council fund	Extension Council	K.S.A. 2-610	\$ 161,664
Free fair fund	Free Fair Association	K.S.A. 2-129	156,375
County library fund	Library District	K.S.A. 12-1220	<u>34,500</u>
Total transfers to related municipal entities			<u>\$ 352,539</u>

F. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other post employment benefits. As provided by K.S.A. 12-5040, the County allows retirees to participate in the group health insurance plan. While most retirees pay the full amount of the applicable premium, conceptually, the County is subsidizing the retirees because each participant is charged a level of premium regardless of age. The County will pay a portion of the premium if certain conditions are met.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the County makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Vacation leave – The County's policies regarding vacations permit employees to accumulate a maximum of eighteen calendar days of vacation. Upon termination or resignation from service with the County, employees are entitled to payment for all accumulated vacation earned prior to termination or resignation up to a maximum of eighteen days.

Sick leave – All employees on permanent status earn sick leave at the rate of one calendar day per month with a maximum accumulation of one hundred thirty calendar days of sick leave. No allowance for unused sick leave is paid upon termination or resignation. The County has a sick leave bank whereby employees can transfer excess sick leave to be used by employees who are on extended sick leave and have exhausted their own sick leave accumulation. The sick leave bank is administered by the County Commissioners.

Section 125 cafeteria plan/health insurance – The County offers a Section 125 cafeteria plan for all employees electing to participate. It can be used for health insurance premiums, unreimbursed medical and dependent care expenses. The plan is administered by an independent insurance company.

Section 457 deferred compensation plan – The County offers a Section 457 deferred compensation plan to all employees on a voluntary basis. The County does not contribute to the plan, which is administered by a third party.

G. DEFINED BENEFIT PENSION PLAN

Plan description. The County participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S. Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7.15% of covered salary. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, KPERS 3 and KP&F be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium from January 1, 2017 through September 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 8.46% for KPERS and 19.03% for KP&F for the fiscal year ended December 31, 2017. Contributions to the pension plan from the County were \$174,932 for KPERS and \$93,489 for KP&F for the year ended December 31, 2017.

Net pension liability. At December 31, 2017, the County's proportionate share of the collective net pension liability reported by KPERS was \$1,679,687, and \$929,219 for KP&F. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The County's proportion of the net pension liability was based on the ratio of the County's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement. The complete actuarial report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publically available on the website at www.kpers.org or can be obtained as described above.

H. RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and medical needs of employees. The County participates in public entity risk pools to cover property, liability and worker's compensation claims. There have been no significant reductions in coverage from the prior year. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three years.

I. PUBLIC ENTITY RISK POOLS

The County is a member of the Kansas Workers Risk Cooperative for Counties (KWORCC), a group funded pool for workers compensation coverage which was formed through the Kansas Municipal Group-Funded Pool Act, K.S.A. 12-2616, et seq. This is a public entity risk pool which operates as a common risk management and insurance program for member counties. The County pays an annual contribution to the Cooperative as determined by the Board of Trustees based upon experience modification factors, payroll audits and any other bases the Board considers appropriate. It is not possible to estimate the maximum contributions which could be required. KWORCC covers claims up to \$750,000 each and aggregate excess reinsurance provides aggregate coverage up to \$1,000,000. Except for required contributions, no member can be held responsible for any claims made against any other member.

The County is also a member of the Kansas County Association Multi-Line Pool (KCAMP), a group funded pool for property, liability, crime and surety coverage which was formed through the Kansas Municipal Group-Funded Pool Act, K.S.A. 12-2616, et seq. This is a public entity risk pool which operates as a common risk management and insurance program for member counties. The County pays an annual contribution to the Pool as determined by the Board of Trustees. It is not possible to estimate the maximum contributions which could be required. KCAMP covers property loss up to the scheduled amount of values on file which is \$18,776,896, \$500,000 for liability and \$1,000,000 for crime. Excess reinsurance provides aggregate coverage up \$3,000,000 for liability. Except for required contributions, no member can be held responsible for any claims made against any other member.

J. CONTINGENCIES

The County receives Federal and State Grants for specific purposes that are subject to review and audit by Federal and State agencies. Such audits could result in a request for reimbursement for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of County management, such disallowances, if any, would be insignificant.

K. SUBSEQUENT EVENTS

Management has evaluated subsequent events through August 27, 2018, the date on which the financial statement was available to be used. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in the financial statement.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

GRAY COUNTY, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017

Funds	Certified budget	Adjustment for qualifying budget credits	Total budget for comparison	Expenditures chargeable to current year	Variance favorable (unfavorable)
General fund	\$ 2,381,454	\$ -	\$ 2,381,454	\$ 2,381,454	\$ -
Special purpose funds:					
Road and bridge	3,233,000	-	3,233,000	3,225,699	7,301
Special bridge	353,293	-	353,293	121,518	231,775
Waste disposal	673,670	-	673,670	658,333	15,337
Noxious weed	151,810	-	151,810	133,350	18,460
County health	214,981	-	214,981	209,063	5,918
Mental health	46,643	-	46,643	46,643	-
Mental retardation	32,329	-	32,329	32,329	-
Conservation district	25,000	-	25,000	25,000	-
Extension council	161,664	-	161,664	161,664	-
Historical society	17,170	-	17,170	17,170	-
Free fair	156,375	-	156,375	156,375	-
Council on aging	96,500	-	96,500	96,500	-
Ambulance	425,000	-	425,000	384,036	40,964
Appraiser's cost	228,130	-	228,130	163,731	64,399
Direct election expense	44,000	-	44,000	18,890	25,110
Tort liability expense	108,492	-	108,492	-	108,492
Employee benefits	2,014,967	-	2,014,967	1,410,774	604,193
Rural fire district	149,770	-	149,770	134,130	15,640
County library	34,500	-	34,500	34,500	-
Total	\$ 10,548,748	\$ -	\$ 10,548,748	\$ 9,411,159	\$ 1,137,589

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

GENERAL FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 564,860	\$ 483,728	\$ 473,575	\$ 10,153
Delinquent tax	54,404	5,376	2,880	2,496
Motor vehicle tax	55,436	71,656	31,750	39,906
Recreational vehicle tax	1,002	1,409	592	817
16/20M truck tax	1,722	2,383	1,083	1,300
Interest on delinquent tax	14,302	23,147	10,000	13,147
Local sales tax	453,023	507,612	400,000	107,612
Mineral production tax	11,270	7,237	10,000	(2,763)
Licenses, permits and fees:				
Mortgage registration fees	205,278	31,571	40,000	(8,429)
County officers' fees	50,005	58,650	25,000	33,650
Diversion fees	72,045	51,635	30,000	21,635
Other fees	17,504	24,224	10,000	14,224
Charges for services:				
Law enforcement contract	215,764	140,000	140,000	-
Interest	11,332	19,041	10,000	9,041
Gifts from wind energy companies	658,591	727,903	656,405	71,498
Other	52,848	78,340	20,000	58,340
Operating transfers in	37,043	28,073	26,000	2,073
Neighborhood revitalization rebate	(4,744)	(3,375)	(3,588)	213
Total receipts	2,471,685	2,258,610	\$ 1,883,697	\$ 374,913
Expenditures:				
County commissioners:				
Personal services	39,608	38,833	\$ 38,500	\$ (333)
Commodities	14	467	100	(367)
Contractual services	1,704	1,289	5,400	4,111
Subtotal	41,326	40,589	44,000	3,411

GRAY COUNTY, KANSAS

GENERAL FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
County clerk:				
Personal services	\$ 86,854	\$ 95,231	\$ 90,000	\$ (5,231)
Commodities	3,030	3,011	5,500	2,489
Contractual services	2,962	3,742	5,500	1,758
Capital outlay	-	-	1,000	1,000
Subtotal	<u>92,846</u>	<u>101,984</u>	<u>102,000</u>	<u>16</u>
County treasurer:				
Personal services	141,079	127,441	150,000	22,559
Commodities	3,685	7,512	6,000	(1,512)
Contractual services	11,392	12,005	20,375	8,370
Subtotal	<u>156,156</u>	<u>146,958</u>	<u>176,375</u>	<u>29,417</u>
County attorney:				
Personal services	90,865	89,687	93,000	3,313
Commodities	2,650	2,647	3,000	353
Contractual services	47,277	67,113	57,000	(10,113)
Subtotal	<u>140,792</u>	<u>159,447</u>	<u>153,000</u>	<u>(6,447)</u>
Register of deeds:				
Personal services	74,279	72,888	77,250	4,362
Commodities	2,983	5,758	7,900	2,142
Contractual services	3,372	3,578	5,284	1,706
Subtotal	<u>80,634</u>	<u>82,224</u>	<u>90,434</u>	<u>8,210</u>
Custodian:				
Personal services	73,066	72,476	71,000	(1,476)
Commodities	3,131	2,259	7,000	4,741
Contractual services	2,574	2,913	3,000	87
Subtotal	<u>78,771</u>	<u>77,648</u>	<u>81,000</u>	<u>3,352</u>

GRAY COUNTY, KANSAS

GENERAL FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
District court:				
Commodities	\$ 12,877	\$ 8,934	\$ 5,800	\$ (3,134)
Contractual services	60,077	62,836	67,220	4,384
Capital outlay	-	-	5,515	5,515
Subtotal	<u>72,954</u>	<u>71,770</u>	<u>78,535</u>	<u>6,765</u>
Courthouse general:				
Personal services	189,933	159,281	179,000	19,719
Commodities	14,799	13,449	45,000	31,551
Contractual services	331,801	334,579	300,000	(34,579)
Capital outlay	-	25,000	-	(25,000)
Subtotal	<u>536,533</u>	<u>532,309</u>	<u>524,000</u>	<u>(8,309)</u>
Sheriff:				
Personal services	719,616	734,323	700,000	(34,323)
Commodities	50,804	62,177	150,000	87,823
Contractual services	245,017	153,056	180,000	26,944
Capital outlay	2,550	35,396	40,000	4,604
Subtotal	<u>1,017,987</u>	<u>984,952</u>	<u>1,070,000</u>	<u>85,048</u>
Civil defense:				
Commodities	5,309	4,373	18,900	14,527
Contractual services	10,045	10,933	16,710	5,777
Capital outlay	-	596	11,500	10,904
Subtotal	<u>15,354</u>	<u>15,902</u>	<u>47,110</u>	<u>31,208</u>
Diversion fees:				
Personal services	5,421	5,400	5,400	-
Capital outlay	11,138	5,148	9,600	4,452
Subtotal	<u>16,559</u>	<u>10,548</u>	<u>15,000</u>	<u>4,452</u>

GRAY COUNTY, KANSAS

GENERAL FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2017</u>			favorable (unfavorable)
	<u>2016</u>	<u>Actual</u>	<u>Budget</u>	
Transportation	\$ 6,406	\$ -	\$ -	\$ -
Reimbursed expenditures	(162,668)	(107,679)	-	107,679
Transfer to other funds:				
Capital improvement	264,473	206,787	-	(206,787)
Equipment reserve	39,515	58,015	-	(58,015)
Subtotal	303,988	264,802	-	(264,802)
Total expenditures	2,397,638	2,381,454	<u>\$ 2,381,454</u>	<u>\$ -</u>
Receipts over (under) expenditures	74,047	(122,844)		
Unencumbered cash, beginning of year	832,379	906,426	<u>\$ 497,757</u>	<u>\$ 408,669</u>
Unencumbered cash, end of year	<u>\$ 906,426</u>	<u>\$ 783,582</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

ROAD AND BRIDGE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 2,278,637	\$ 2,594,463	\$ 2,536,707	\$ 57,756
Delinquent tax	157,741	23,698	11,617	12,081
Motor vehicle tax	215,722	288,111	128,080	160,031
Recreational vehicle tax	3,898	5,664	2,382	3,282
16/20M tax	9,675	9,273	4,367	4,906
Gasoline tax	466,444	476,839	461,457	15,382
State and federal aid	34,534	2,637	-	2,637
Other	5,873	7,220	-	7,220
Neighborhood revitalization rebate	(19,139)	(18,077)	(19,220)	1,143
Total receipts	<u>3,153,385</u>	<u>3,389,828</u>	<u>\$ 3,125,390</u>	<u>\$ 264,438</u>
Expenditures:				
Highway and streets	3,256,644	3,273,107	\$ 3,233,000	\$ (40,107)
Reimbursed expenditures	(50,495)	(47,408)	-	47,408
Total expenditures	<u>3,206,149</u>	<u>3,225,699</u>	<u>\$ 3,233,000</u>	<u>\$ 7,301</u>
Receipts over (under) expenditures	(52,764)	164,129		
Unencumbered cash, beginning of year	<u>383,991</u>	<u>331,227</u>	<u>\$ 107,610</u>	<u>\$ 223,617</u>
Unencumbered cash, end of year	<u>\$ 331,227</u>	<u>\$ 495,356</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

SPECIAL BRIDGE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 44	\$ 28	\$ -	\$ 28
Delinquent tax	433	124	-	124
Motor vehicle tax	8,964	1,103	-	1,103
Recreational vehicle tax	162	24	-	24
16/20M tax	-	385	-	385
Total receipts	<u>9,603</u>	<u>1,664</u>	<u>\$ -</u>	<u>\$ 1,664</u>
Expenditures:				
Highways and streets	102,855	123,184	\$ 353,293	\$ 230,109
Reimbursed expenditures	-	(1,666)	-	1,666
Total expenditures	<u>102,855</u>	<u>121,518</u>	<u>\$ 353,293</u>	<u>\$ 231,775</u>
Receipts over (under) expenditures	(93,252)	(119,854)		
Unencumbered cash, beginning of year	<u>398,293</u>	<u>305,041</u>	<u>\$ 353,504</u>	<u>\$ (48,463)</u>
Unencumbered cash, end of year	<u>\$ 305,041</u>	<u>\$ 185,187</u>	<u>\$ 211</u>	<u>\$ 184,976</u>

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

WASTE DISPOSAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 81,690	\$ 91,664	\$ 89,643	\$ 2,021
Special assessments	401,125	404,941	400,584	4,357
Delinquent tax	7,192	964	4,165	(3,201)
Motor vehicle tax	11,486	10,789	4,593	6,196
Recreational vehicle tax	208	213	85	128
16/20M tax	433	493	157	336
Charges for services	189,547	181,785	110,000	71,785
Other	5,787	17,686	-	17,686
Neighborhood revitalization rebate	(686)	(639)	(679)	40
Total receipts	<u>696,782</u>	<u>707,896</u>	<u>\$ 608,548</u>	<u>\$ 99,348</u>
Expenditures:				
Sanitation:				
Personal services	40,403	40,545	\$ 40,170	\$ (375)
Commodities	72,093	83,939	34,500	(49,439)
Contractual services	531,138	533,849	539,000	5,151
Capital outlay	17	-	60,000	60,000
Total expenditures	<u>643,651</u>	<u>658,333</u>	<u>\$ 673,670</u>	<u>\$ 15,337</u>
Receipts over (under) expenditures	53,131	49,563		
Unencumbered cash, beginning of year	<u>120,154</u>	<u>173,285</u>	<u>\$ 65,122</u>	<u>\$ 108,163</u>
Unencumbered cash, end of year	<u>\$ 173,285</u>	<u>\$ 222,848</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

NOXIOUS WEED FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 141,829	\$ 60,105	\$ 59,014	\$ 1,091
Delinquent tax	8,126	1,133	723	410
Motor vehicle tax	13,433	17,933	7,974	9,959
Recreational vehicle tax	243	353	148	205
16/20M tax	329	577	272	305
Other	-	625	-	625
Neighborhood revitalization rebate	(1,191)	(421)	(447)	26
Total receipts	162,769	80,305	\$ 67,684	\$ 12,621
Expenditures:				
Highways and streets	153,663	192,240	\$ 151,810	\$ (40,430)
Reimbursed expenditures	(25,706)	(63,890)	-	63,890
Transfer to equipment reserve	5,000	5,000	-	(5,000)
Total expenditures	132,957	133,350	\$ 151,810	\$ 18,460
Receipts over (under) expenditures	29,812	(53,045)		
Unencumbered cash, beginning of year	106,248	136,060	\$ 84,126	\$ 51,934
Unencumbered cash, end of year	\$ 136,060	\$ 83,015		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

COUNTY HEALTH FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 174,256	\$ 202,390	\$ 197,866	\$ 4,524
Delinquent tax	9,680	1,771	889	882
Motor vehicle tax	18,503	22,278	9,796	12,482
Recreational vehicle tax	334	439	182	257
16/20M tax	660	795	334	461
Other	314	364	-	364
Neighborhood revitalization rebate	(1,464)	(1,410)	(1,499)	89
Total receipts	<u>202,283</u>	<u>226,627</u>	<u>\$ 207,568</u>	<u>\$ 19,059</u>
Expenditures:				
Health and welfare:				
Personal services	158,883	162,783	\$ 170,071	\$ 7,288
Commodities	51,975	76,516	53,955	(22,561)
Contractual services	10,859	13,849	14,955	1,106
Capital outlay	-	653	-	(653)
Reimbursed expenditures	(10,081)	(44,738)	(24,000)	20,738
Total expenditures	<u>211,636</u>	<u>209,063</u>	<u>\$ 214,981</u>	<u>\$ 5,918</u>
Receipts over (under) expenditures	(9,353)	17,564		
Unencumbered cash, beginning of year	<u>33,257</u>	<u>23,904</u>	<u>\$ 7,413</u>	<u>\$ 16,491</u>
Unencumbered cash, end of year	<u>\$ 23,904</u>	<u>\$ 41,468</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

MENTAL HEALTH FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts				
Taxes and shared revenue:				
Ad valorem property tax	\$ 39,332	\$ 44,231	\$ 43,233	\$ 998
Delinquent tax	3,107	423	201	222
Motor vehicle tax	3,966	5,004	2,212	2,792
Recreational vehicle tax	72	98	41	57
16/20M tax	179	170	75	95
Neighborhood revitalization rebate	(330)	(308)	(328)	20
Total receipts	46,326	49,618	\$ 45,434	\$ 4,184
Expenditures:				
Health and welfare:				
County appropriation	46,641	46,643	\$ 46,643	\$ -
Receipts over (under) expenditures	(315)	2,975		
Unencumbered cash, beginning of year	5,471	5,156	\$ 1,209	\$ 3,947
Unencumbered cash, end of year	\$ 5,156	\$ 8,131		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

MENTAL RETARDATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 27,107	\$ 30,918	\$ 30,210	\$ 708
Delinquent tax	2,175	292	138	154
Motor vehicle tax	2,737	3,448	1,522	1,926
Recreational vehicle tax	49	68	28	40
16/20M tax	124	118	52	66
Neighborhood revitalization rebate	(228)	(215)	(229)	14
Total receipts	31,964	34,629	\$ 31,721	\$ 2,908
Expenditures:				
Health and welfare:				
County appropriation	32,327	32,329	\$ 32,329	\$ -
Receipts over (under) expenditures	(363)	2,300		
Unencumbered cash, beginning of year	3,766	3,403	\$ 608	\$ 2,795
Unencumbered cash, end of year	\$ 3,403	\$ 5,703		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

CONSERVATION DISTRICT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 21,083	\$ 23,620	\$ 23,126	\$ 494
Delinquent tax	1,684	226	108	118
Motor vehicle tax	2,118	2,681	1,186	1,495
Recreational vehicle tax	38	53	22	31
16/20M tax	97	91	40	51
Neighborhood revitalization rebate	(177)	(165)	(175)	10
Total receipts	24,843	26,506	\$ 24,307	\$ 2,199
Expenditures:				
General government:				
County appropriation	24,999	25,000	\$ 25,000	\$ -
Receipts over (under) expenditures	(156)	1,506		
Unencumbered cash, beginning of year	2,997	2,841	\$ 693	\$ 2,148
Unencumbered cash, end of year	\$ 2,841	\$ 4,347		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

EXTENSION COUNCIL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 136,066	\$ 153,487	\$ 150,105	\$ 3,382
Delinquent tax	9,094	1,412	694	718
Motor vehicle tax	13,208	17,244	7,647	9,597
Recreational vehicle tax	239	339	142	197
16/20M tax	579	568	261	307
Neighborhood revitalization rebate	(1,143)	(1,069)	(1,137)	68
Total receipts	158,043	171,981	\$ 157,712	\$ 14,269
Expenditures:				
Transfer to related municipal entity	158,454	161,664	\$ 161,664	\$ -
Receipts over (under) expenditures	(411)	10,317		
Unencumbered cash, beginning of year	16,477	16,066	\$ 3,952	\$ 12,114
Unencumbered cash, end of year	\$ 16,066	\$ 26,383		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

HISTORICAL SOCIETY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 14,793	\$ 16,323	\$ 15,969	\$ 354
Delinquent tax	938	148	76	72
Motor vehicle tax	1,364	1,866	833	1,033
Recreational vehicle tax	25	37	16	21
16/20M tax	55	59	28	31
Neighborhood revitalization rebate	(124)	(114)	(121)	7
Total receipts	17,051	18,319	\$ 16,801	\$ 1,518
Expenditures:				
Culture and recreation:				
County appropriation	17,170	17,170	\$ 17,170	\$ -
Receipts over (under) expenditures	(119)	1,149		
Unencumbered cash, beginning of year	1,709	1,590	\$ 369	\$ 1,221
Unencumbered cash, end of year	\$ 1,590	\$ 2,739		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

FREE FAIR FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 133,145	\$ 148,376	\$ 145,092	\$ 3,284
Delinquent tax	9,129	1,375	678	697
Motor vehicle tax	13,181	16,905	7,485	9,420
Recreational vehicle tax	238	333	139	194
16/20M tax	541	567	255	312
Neighborhood revitalization rebate	(1,118)	(1,034)	(1,099)	65
Total receipts	155,116	166,522	\$ 152,550	\$ 13,972
Expenditures:				
Transfer to related municipal entity	155,791	156,375	\$ 156,375	\$ -
Receipts over (under) expenditures	(675)	10,147		
Unencumbered cash, beginning of year	16,508	15,833	\$ 3,825	\$ 12,008
Unencumbered cash, end of year	\$ 15,833	\$ 25,980		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

COUNCIL ON AGING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 86,196	\$ 91,184	\$ 89,216	\$ 1,968
Delinquent tax	5,403	874	439	435
Motor vehicle tax	8,964	10,997	4,843	6,154
Recreational vehicle tax	162	216	90	126
16/20M tax	352	385	165	220
Neighborhood revitalization rebate	(724)	(635)	(676)	41
Total receipts	100,353	103,021	\$ 94,077	\$ 8,944
Expenditures:				
Health and welfare:				
County appropriation	100,994	96,500	\$ 96,500	\$ -
Receipts over (under) expenditures	(641)	6,521		
Unencumbered cash, beginning of year	10,362	9,721	\$ 2,423	\$ 7,298
Unencumbered cash, end of year	\$ 9,721	\$ 16,242		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

AMBULANCE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 159,369	\$ 261,791	\$ 255,742	\$ 6,049
Delinquent tax	17,103	2,334	813	1,521
Motor vehicle tax	19,893	20,741	8,958	11,783
Recreational vehicle tax	360	409	167	242
16/20M tax	1,377	855	305	550
Charges for services	79,564	104,032	75,000	29,032
Other	820	327	-	327
Neighborhood revitalization rebate	(1,338)	(1,152)	(1,938)	786
Total receipts	<u>277,148</u>	<u>389,337</u>	<u>\$ 339,047</u>	<u>\$ 50,290</u>
Expenditures:				
Health and welfare:				
Personal services	225,299	213,304	\$ 200,000	\$ (13,304)
Commodities	29,538	29,443	50,000	20,557
Contractual services	43,772	42,252	75,000	32,748
Capital outlay	-	-	100,000	100,000
Reimbursed expenditures	175	(963)	-	963
Transfer to equipment reserve	85,000	100,000	-	(100,000)
Total expenditures	<u>383,784</u>	<u>384,036</u>	<u>\$ 425,000</u>	<u>\$ 40,964</u>
Receipts over (under) expenditures	(106,636)	5,301		
Unencumbered cash, beginning of year	<u>241,322</u>	<u>134,686</u>	<u>\$ 85,953</u>	<u>\$ 48,733</u>
Unencumbered cash, end of year	<u>\$ 134,686</u>	<u>\$ 139,987</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

APPRAISER'S COST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 215,275	\$ 208,430	\$ 203,384	\$ 5,046
Delinquent tax	11,621	1,914	1,097	817
Motor vehicle tax	20,818	27,271	12,097	15,174
Recreational vehicle tax	376	536	225	311
16/20M tax	259	895	412	483
Other	892	2,867	-	2,867
Neighborhood revitalization rebate	(1,808)	(1,449)	(1,541)	92
Total receipts	<u>247,433</u>	<u>240,464</u>	<u>\$ 215,674</u>	<u>\$ 24,790</u>
Expenditures:				
General government:				
Personal services	166,548	132,011	\$ 186,430	\$ 54,419
Commodities	7,379	7,908	12,000	4,092
Contractual services	14,939	20,312	26,200	5,888
Capital outlay	-	-	3,500	3,500
Reimbursed expenditures	(245)	-	-	-
Transfer to equipment reserve	1,000	3,500	-	(3,500)
Total expenditures	<u>189,621</u>	<u>163,731</u>	<u>\$ 228,130</u>	<u>\$ 64,399</u>
Receipts over (under) expenditures	57,812	76,733		
Unencumbered cash, beginning of year	<u>12,794</u>	<u>70,606</u>	<u>\$ 12,456</u>	<u>\$ 58,150</u>
Unencumbered cash, end of year	<u>\$ 70,606</u>	<u>\$ 147,339</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

DIRECT ELECTION EXPENSE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 33,745	\$ 17,726	\$ 17,423	\$ 303
Delinquent tax	2,017	282	172	110
Motor vehicle tax	2,216	4,147	1,895	2,252
Recreational vehicle tax	40	81	35	46
16/20M tax	165	95	65	30
Other	135	-	-	-
Neighborhood revitalization rebate	(283)	(124)	(132)	8
Total receipts	<u>38,035</u>	<u>22,207</u>	<u>\$ 19,458</u>	<u>\$ 2,749</u>
Expenditures:				
General government:				
Personal services	11,306	6,920	\$ 13,000	\$ 6,080
Commodities	3,310	1,535	6,000	4,465
Contractual services	<u>15,656</u>	<u>10,435</u>	<u>25,000</u>	<u>14,565</u>
Total expenditures	<u>30,272</u>	<u>18,890</u>	<u>\$ 44,000</u>	<u>\$ 25,110</u>
Receipts over (under) expenditures	7,763	3,317		
Unencumbered cash, beginning of year	<u>33,492</u>	<u>41,255</u>	<u>\$ 24,542</u>	<u>\$ 16,713</u>
Unencumbered cash, end of year	<u>\$ 41,255</u>	<u>\$ 44,572</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

TORT LIABILITY EXPENSE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>		Variance favorable (unfavorable)
		<u>Actual</u>	<u>Budget</u>	
Receipts	\$ -	\$ -	\$ -	\$ -
Expenditures:				
General government:				
Contractual services	-	-	\$ 108,492	\$ 108,492
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	108,492	108,492	\$ 108,492	\$ -
Unencumbered cash, end of year	\$ 108,492	\$ 108,492		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 896,510	\$ 1,630,491	\$ 1,592,545	\$ 37,946
Delinquent tax	72,365	11,467	4,570	6,897
Motor vehicle tax	94,989	114,594	50,391	64,203
Recreational vehicle tax	1,716	2,256	937	1,319
16/20M tax	4,049	4,083	1,718	2,365
Other	-	1,403	-	1,403
Neighborhood revitalization rebate	(7,530)	(11,349)	(12,067)	718
Total receipts	1,062,099	1,752,945	<u>\$ 1,638,094</u>	<u>\$ 114,851</u>
Expenditures:				
General government:				
Personal services	1,527,632	1,410,774	<u>\$ 2,014,967</u>	<u>\$ 604,193</u>
Receipts over (under) expenditures	(465,533)	342,171		
Unencumbered cash, beginning of year	972,776	507,243	<u>\$ 376,873</u>	<u>\$ 130,370</u>
Unencumbered cash, end of year	<u>\$ 507,243</u>	<u>\$ 849,414</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

RURAL FIRE DISTRICT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	2016	2017		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 144,958	\$ 120,448	\$ 118,126	\$ 2,322
Delinquent tax	8,747	844	739	105
Motor vehicle tax	1,929	12,192	11,751	441
Recreational vehicle tax	30	226	203	23
16/20M tax	481	136	122	14
Gifts from wind energy companies	26,595	20,384	18,829	1,555
Other	1,122	1,290	-	1,290
Total receipts	<u>183,862</u>	<u>155,520</u>	<u>\$ 149,770</u>	<u>\$ 5,750</u>
Expenditures:				
Public safety:				
Personal services	18,802	19,871	\$ 19,270	\$ (601)
Commodities	19,604	20,245	30,000	9,755
Contractual services	51,007	44,134	50,500	6,366
Reimbursed expenditures	(218)	(120)	-	120
Transfer to equipment reserve	60,000	50,000	50,000	-
Total expenditures	<u>149,195</u>	<u>134,130</u>	<u>\$ 149,770</u>	<u>\$ 15,640</u>
Receipts over (under) expenditures	34,667	21,390		
Unencumbered cash, beginning of year	-	34,667	\$ -	\$ 34,667
Unencumbered cash, end of year	<u>\$ 34,667</u>	<u>\$ 56,057</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

COUNTY LIBRARY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2017
(With Comparative Actual Totals for the Prior Year Ended December 31, 2016)

	<u>2016</u>	<u>2017</u>		Variance favorable (unfavorable)
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 30,214	\$ 28,408	\$ 26,876	\$ 1,532
Delinquent tax	3,587	202	-	202
Motor vehicle tax	1,219	2,642	2,460	182
Recreational vehicle tax	23	58	49	9
16/20M tax	158	93	84	9
Gifts from wind energy companies	<u>5,395</u>	<u>4,675</u>	<u>4,323</u>	<u>352</u>
Total receipts	40,596	36,078	<u>\$ 33,792</u>	<u>\$ 2,286</u>
Expenditures:				
Transfer to related municipal entity	<u>34,000</u>	<u>34,500</u>	<u>\$ 34,500</u>	<u>\$ -</u>
Receipts over (under) expenditures	6,596	1,578		
Unencumbered cash, beginning of year	<u>755</u>	<u>7,351</u>	<u>\$ 708</u>	<u>\$ 6,643</u>
Unencumbered cash, end of year	<u>\$ 7,351</u>	<u>\$ 8,929</u>		

See Independent Auditor's Report.

GRAY COUNTY, KANSAS

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Special highway</u>	<u>County clerk technology</u>	<u>County treasurer technology</u>	<u>Register of deeds technology</u>	<u>Special health</u>	<u>Regional bio-terrorism</u>
Receipts:						
State and federal aid	\$ 97,745	\$ -	\$ -	\$ -	\$ -	\$ 30,118
Licenses, permits and fees	-	2,357	2,357	9,428	-	-
Charges for services	-	-	-	-	86,537	-
Interest	-	-	-	-	-	-
Other	256,065	-	-	-	65,432	-
Operating transfers in	-	-	-	-	-	-
Total receipts	<u>353,810</u>	<u>2,357</u>	<u>2,357</u>	<u>9,428</u>	<u>151,969</u>	<u>30,118</u>
Expenditures:						
Personal services	-	-	-	-	-	-
Commodities	238,820	-	-	1,046	6,541	-
Contractual services	43,768	-	-	-	51,767	35,890
Capital outlay	36,978	-	-	6,516	32,429	-
Remittance to state	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total expenditures	<u>319,566</u>	<u>-</u>	<u>-</u>	<u>7,562</u>	<u>90,737</u>	<u>35,890</u>
Receipts over (under) expenditures	34,244	2,357	2,357	1,866	61,232	(5,772)
Unencumbered cash, beginning of year	<u>53,244</u>	<u>3,835</u>	<u>5,066</u>	<u>21,248</u>	<u>197,295</u>	<u>950</u>
Unencumbered cash (deficit), end of year	<u>\$ 87,488</u>	<u>\$ 6,192</u>	<u>\$ 7,423</u>	<u>\$ 23,114</u>	<u>\$ 258,527</u>	<u>\$ (4,822)</u>

<u>Ambulance special equipment</u>	<u>PSAP 911E</u>	<u>Ambulance special equipment - South</u>	<u>Search and rescue</u>	<u>Enhanced 911 grant</u>	<u>Capital improve- ments</u>	<u>Equipment reserve</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	50,244	-	-	-	-	-
-	-	-	-	-	-	-
-	172	-	-	-	11,962	4,019
3,723	-	4,038	-	-	-	-
-	-	-	-	-	206,787	216,515
<u>3,723</u>	<u>50,416</u>	<u>4,038</u>	<u>-</u>	<u>-</u>	<u>218,749</u>	<u>220,534</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	35,479	-	-	-	22,850	-
-	1,000	-	-	-	-	235,135
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>36,479</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,850</u>	<u>235,135</u>
3,723	13,937	4,038	-	-	195,899	(14,601)
<u>14,776</u>	<u>193,807</u>	<u>9,241</u>	<u>146</u>	<u>3,561</u>	<u>2,796,394</u>	<u>752,500</u>
<u>\$ 18,499</u>	<u>\$ 207,744</u>	<u>\$ 13,279</u>	<u>\$ 146</u>	<u>\$ 3,561</u>	<u>\$ 2,992,293</u>	<u>\$ 737,899</u>

GRAY COUNTY, KANSAS

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended December 31, 2017

	<u>Prosecuting attorney trust</u>	<u>Sex offender</u>	<u>Special law enforcement trust</u>	<u>Special vehicle</u>	<u>Postage</u>	<u>Local drug seizure</u>
Receipts:						
State and federal aid	\$ -	\$ -	\$ -	\$ 2,836	\$ -	\$ -
Licenses, permits and fees	2,525	680	-	51,839	-	-
Charges for services	-	-	-	-	4,495	-
Interest	-	-	27	-	-	-
Other	-	-	-	-	-	9,873
Operating transfers in	-	-	-	-	-	-
Total receipts	<u>2,525</u>	<u>680</u>	<u>27</u>	<u>54,675</u>	<u>4,495</u>	<u>9,873</u>
Expenditures:						
Personal services	-	-	-	30,807	-	-
Commodities	-	-	-	600	-	-
Contractual services	-	500	1,116	-	2,997	1,477
Capital outlay	-	-	-	-	-	469
Remittance to state	1,280	-	-	-	-	-
Operating transfers out	-	-	-	28,073	-	-
Total expenditures	<u>1,280</u>	<u>500</u>	<u>1,116</u>	<u>59,480</u>	<u>2,997</u>	<u>1,946</u>
Receipts over (under) expenditures	1,245	180	(1,089)	(4,805)	1,498	7,927
Unencumbered cash, beginning of year	<u>20,572</u>	<u>2,460</u>	<u>6,096</u>	<u>28,033</u>	<u>1,862</u>	<u>31,484</u>
Unencumbered cash (deficit), end of year	<u>\$ 21,817</u>	<u>\$ 2,640</u>	<u>\$ 5,007</u>	<u>\$ 23,228</u>	<u>\$ 3,360</u>	<u>\$ 39,411</u>

See Independent Auditor's Report.

<u>Veterans memorial</u>	<u>Law enforcement equipment</u>	<u>Alcohol programs</u>	<u>Parks and recreation</u>	<u>Rural fire training</u>	<u>Drug task force</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130,699
-	-	-	-	-	-	119,430
-	-	-	-	-	-	91,032
-	-	-	-	-	-	16,180
550	2,732	-	-	4,938	-	347,351
-	-	-	-	-	-	423,302
<u>550</u>	<u>2,732</u>	<u>-</u>	<u>-</u>	<u>4,938</u>	<u>-</u>	<u>1,127,994</u>
-	-	-	-	-	-	30,807
-	-	-	-	-	-	247,007
300	-	-	-	-	-	196,144
-	-	-	-	-	-	312,527
-	-	-	-	-	-	1,280
-	-	-	-	-	-	28,073
<u>300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>815,838</u>
250	2,732	-	-	4,938	-	312,156
2,702	596	523	335	3,900	894	4,151,520
<u>\$ 2,952</u>	<u>\$ 3,328</u>	<u>\$ 523</u>	<u>\$ 335</u>	<u>\$ 8,838</u>	<u>\$ 894</u>	<u>\$ 4,463,676</u>

GRAY COUNTY, KANSAS

AGENCY FUNDS

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended December 31, 2017

Funds	Beginning cash balance	Receipts	Disbursements	Ending cash balance
County clerk	\$ -	\$ 5,086	\$ 5,086	\$ -
Register of deeds	-	99,016	99,016	-
District court	18,424	706,520	685,908	39,036
Sheriff	231	30,477	30,477	231
County treasurer	9,692,961	15,209,452	15,055,868	9,846,545
Local taxing districts	1,257	7,961,742	7,960,534	2,465
Mortgage registration fees	11,935	50,461	36,406	25,990
Drivers record fees	20	340	320	40
Motor vehicle fees and sales tax collection	33,709	1,075,151	1,058,743	50,117
Wind farm donation	-	1,313,340	1,313,340	-
Payroll clearing funds	414,112	2,400,882	2,384,386	430,608
Law library	27,407	9,912	6,853	30,466
Oil and gas depletion	366,700	-	-	366,700
Total agency funds	<u>\$ 10,566,756</u>	<u>\$ 28,862,379</u>	<u>\$ 28,636,937</u>	<u>\$ 10,792,198</u>

See Independent Auditor's Report.